



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI  
Chief Executive Officer

November 23, 2015

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From: Sachi A. Hamai  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "Sachi A. Hamai", is written over the printed name and title.

## **SACRAMENTO UPDATE - LEGISLATIVE COMMITTEE HEARINGS**

### **Executive Summary**

This memorandum provides a report of the following legislative committee hearings of interest to the County:

- **Senate Health Committee** - On November 18, 2015, the committee held an informational hearing in Los Angeles on the redesign of the California Children's Services program.
- **Public Health and Developmental Services Committee - Special Session on Health Financing** - On December 1, 2015, the committee will hold an informational hearing, in Los Angeles, on the Managed Care Organization tax.
- **Senate Labor and Industrial Relations Committee** - On December 2, 2015, the committee will hold an informational hearing, in Downey, on utilization and costs of the Workers' Compensation Program.

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### **Senate Health Committee - California Children's Services Program**

On November 18, 2015, the Senate Health Committee, chaired by Senator Ed Hernandez, convened an informational hearing titled: "The Future of the California Children's Services (CCS) Program." The hearing was held at the California Endowment in Los Angeles.

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The California Children's Services program provides specialized medical care, treatment, case management, and physical and occupational therapy services for children and youth up to 21 years of age with eligible medical conditions such as: cystic fibrosis, hemophilia, cerebral palsy, heart disease, cancer, and traumatic injuries. CCS also provides medical therapy services that are delivered at public schools. The CCS program is administered as a partnership between county health departments and the California Department of Health Care Services (DHCS). In Los Angeles County, the CCS program is administered by the Department of Public Health (DPH).

According to the California Department of Health Care Services, approximately 70 percent of CCS-eligible children are Medi-Cal eligible. Currently, CCS services for children receiving Medi-Cal are covered as a fee-for-service benefit and exempted, or carved out, from Medi-Cal managed care contracts.

In mid-2015, DHCS released a proposal for the CCS program based on a "whole-child model" under which a CCS-eligible child would receive all of their care through the Medi-Cal managed care plan, rather than continuing to receive care for their CCS-eligible conditions outside the plan. Under this model, the Medi-Cal managed care plans would assume full financial risks for providing services to CCS-eligible children and would be required to coordinate all primary and specialty care for CCS patients. County CCS programs would retain responsibility for eligibility determinations, including the child's medical, financial, and residential eligibility.

The purpose of the oversight hearing was to provide an opportunity for the DHCS to explain to the committee its proposal for the CCS program redesign, how DHCS plans to ensure high quality care for CCS children, and to develop a set of legislative priorities for the future of the program. Panelists testifying before the committee included Dr. Mary Doyle and Dr. Edward Bloch with the Los Angeles County Department of Public Health. Dr. Doyle presented an overview of the State's CCS program. Dr. Bloch participated on a panel to provide a county medical director perspective on the CCS program, the State's redesign proposal, and ideas for program improvement. Several of the panelists and members of the public expressed concerns regarding the importance of ensuring the continuity and quality of care for vulnerable, medically needy children receiving CCS. Legislative action on this issue is expected to be considered when the Legislature reconvenes in January 2016.

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**Public Health and Developmental Services Conference Committee - Special Session on Health Financing**

On December 1, 2015, the Public Health and Developmental Services Conference Committee, co-chaired by Senator Ed Hernandez and Assembly Member Rob Bonta, will convene an informational hearing titled: Managed Care Organization (MCO) Tax Overview. The hearing will be held at the Ronald Reagan State Building in Los Angeles.

As previously reported, in June 2015, Governor Brown called a special session and directed the Legislature to enact a new \$1.1 billion MCO tax or an alternative funding source to stabilize the Medi-Cal Program. The Governor has indicated that identifying permanent, sustainable funding for health care outside of the State General Fund is necessary to prevent over \$1.0 billion in program cuts. This is one in a series of hearings the Conference Committee is conducting across the State to consider proposals for a new MCO tax or alternative funding source. Further legislative action on this issue is expected when the Legislature reconvenes in January 2016.

**Senate Labor and Industrial Relations Committee - Workers' Compensation**

On December 2, 2015, the Senate Labor and Industrial Relations Committee, chaired by Senator Tony Mendoza, will convene an informational hearing titled: "Local Factors, Statewide Impacts: A Discussion on the Dynamics Shaping Workers' Compensation in Los Angeles and the LA Basin." The hearing will be held at the Downey City Hall.

According to the committee staff, the goal of the hearing is to better understand differences in the workers' compensation utilization rates and costs in the Los Angeles basin compared to the rest of the State, and to better understand how the County manages its workers' compensation exposure.

Alex Rossi of the Chief Executive Office's Risk Management Branch will testify at the hearing on behalf of the County. Other speakers will include representatives from the California Workers' Compensation Institute, Bickmore Risk Services, California Labor Federation, and California Applicants' Attorneys Association.

We will continue to keep you advised.

SAH:JJ:MR  
VE:TOF:ma

c: All Department Heads  
Legislative Strategist